

Message Text

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PAGE 01 LAGOS 09797 261453Z
ACTION AF-10

INFO OCT-01 EUR-12 ISO-00 EB-08 FEA-01 ERDA-05 AID-05
CEA-01 CIAE-00 COME-00 DODE-00 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06
OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /112 W
-----071350 262312Z /75

R 261243Z AUG 77
FM AMEMBASSY LAGOS
TO SECSTATE WASHDC 3312
INFO USDOC WASHDC
AMEMBASSY BONN
AMEMBASSY VIENNA

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USDOC FOR MEPD

E.O. 11652: N/A
TAGS: BENC, EMIN, ENRG, GW, NI
SUBJECT: DIRECT REDUCTION STEEL MILLS

REF: LAGOS 9512

1. MIDREX OFFICIALS GNETTE AND RHODE RETURNED TO EMBASSY AUGUST
23. PERMSEC JODA, THEY SAID, TOLD THEM MOI ITSELF HAF FAVORED
PORT HARCOURT
SITE, AND GAVE THEM IMPRESSION THAT HAVING ONCE ARGUED ON LOSING
SIDE HE HAD NO GREAT DESIRE TO GET INVOLVED IN MORE CONTROVERSY.
JODA SAID HE GOING ON LEAVE AND SUGGESTED MIDREX SET DOWN ITS
ARGUMENTS IN LETTER TO DEDE WHICH DEDE COULD BRING TO ATTENTION
OF COMMISSIONER. GOETTE SAID HE WOULD DO SO. GOETTE WILL ATTEMPT
TO GET DEDE'S AGREEMENT FOR MIDREX TO VISIT GOVERNMENT'S CONSULTANT
MECOA IN INDIA TO OBTAIN UPDATED TECHNICAL INFORMATION NEEDED
TO RESUBMIT BID ON WARRI MILL. GOETTE SAID HE WOULD REGARD REACTION
TO THIS REQUEST AS LITMUS OF MOI'S INTENTIONS TOWARDS HIM FIRM.

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2. GOETTE SAID TOTAL VALUE OF DIRECT REDUCTION STEEL MILLS,
EXCLUDING INFRASTRUCTURE, IS DOLLARS 820 MILLION FOR PORT HARcourt
AND BETWEEN DOLLARS 700 AND 750 MILLION FOR WARRI. ASKED HOW
MUCH OF THIS WOULD ACTUALLY BENEFIT AMERICAN AS OPPOSED TO GERMAN
FIRMS, GOETTE SAID MIDREX GETS FEES FROM THE CONSTRUCTOR OF EACH
PLANT USING MIDREX PROCESS, AS WELL AS OPERATING FEES. THESE

WOULD AMOUNT TO ABOUT DOLLARS 5 MILLION EACH IN CASE OF PORT HARCOURT STEEL MILL. IN ADDITION, MIDLAND-ROSS, ORIGINAL OWNER OF MIDREX PROCESS, STILL GETS ROYALITIES. IN RESPONSE TO QUESTION ABOUT WHAT AUSTRIAN AND GERMAN EMBASSIES DOING, GOETTE SAID AUSTRIAN COMMERCIAL ATTACHE HAS BEEN ASKED FOR ASSISTANCE AND IS RESPONDING. HOWEVER, GIVEN INTEREST OF GERMAN FIRMS IN BOTH PLANTS, MIDREX CANNOT ASK GERMAN COMMERCIAL ATTACHE TO INTERVENE.

3. GOETTE SAID THAT MIDREX PROCESS IS NOW USED IN 7 PLANTS PRODUCING THREE MILLION TONS PER YEAR OF STEEL. BY END OF 1978. TEN MORE PLANTS WILL COME ON STREAM BRINGING TOTAL OUTPUT TO SEVEN MILLION TPY.

EASUM

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Message Attributes

Automatic Decaptoning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 26-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 22 May 2009
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Disposition History: n/a
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Disposition Remarks:
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